WASHINGTON STATE LIQUOR CONTROL BOARD

Issue Paper

Seattle Alcohol Impact Area Request

Date: August 23, 2006

Presented by: Karen McCall, Manager, Retail Liquor Licenses

DESCRIPTION OF ISSUE

The purpose of this issue paper is to facilitate a decision by the Board on the city of Seattle's request for two Alcohol Impact Areas (AIAs); the Central Core area and the North area. The city is also requesting an additional mandatory restriction in the Pioneer Square Alcohol Impact Area.

Seattle's proposed AIAs have the following boundaries (see map attached):

Central Core Area (5.71 square miles):

The Central Core Alcohol Impact Area is that area circumscribed by the intersection of the following boundaries, including in all instances both sides of each boundary street. This area includes Belltown, Capitol Hill, Lower Queen Anne, International District, First Hill, Central Area, and S Lake Union. (The Pioneer Square AIA is located within this area).

West Boundary

Elliott Ave W/Elliot Av to Broad St to Alaskan Way/Alaskan Way S

South Boundary

S Royal Brougham Way to I-90 to Martin Luther King Jr. Way S to S. Norman St to 29th Ave S

East Boundary

29th Ave S to S Dearborn St to 29th Ave S to 29th Ave to 29th Ave E to E Madison St to 29th Ave E to E Roy St to 29th Ave E

North Boundary

E Aloha St to Boylston Ave E to Bellevue PI E to Belmont Ave E to Lakeview Blvd. E, crossing over the Eastlake Ave E right-of-way and Fred Hutchinson campus to Ward St to Fairview Ave N to Valley St to Westlake Ave N to Aloha St to 8th Ave N to Valley St to Queen Anne Ave N to W Queen Anne Driveway to W Olympic PI to 3rd Ave W to W Mercer St to W Mercer PI

North Area (.78 square miles):

The North Alcohol Impact Area is that area circumscribed by the intersection of the following boundaries, including in all instances both sides of each boundary street. This area consists of the University District.

West Boundary - Latona Ave NE (connecting via NE 42nd St and NE 50th St along the way).

South Boundary - NE Pacific Street to NE Northlake Way

East Boundary - 15th Avenue NE

North Boundary - NE 60th Street (on both sides of I-5 and across the I-5 right-of-way) to NE Ravenna Blvd.

The decisions to be made by the Board fall into four categories:

General AIA designation – Central Core Area: Whether or not to recognize the city of Seattle's request for an AIA in the Central Core area. This recognition would mean that the Board would give the city of Seattle more time to review liquor license applications and renewals for business inside the AIA (extended from 20 days to 60 days for applications, and 60 to 90 days for renewals).

General AIA designation – North Area: Whether or not to recognize the city of Seattle's request for an AIA in the North District area. This recognition would mean that the Board would give the city of Seattle more time to review liquor license applications and renewals for business inside the AIA (extended from 20 days to 60 days for applications, and 60 to 90 days for renewals).

Mandatory restrictions: Whether or not to approve Seattle's specific requests for alcohol sales restrictions in the Central Core and/or North AIA:

 Prohibit the off-premises sale of certain beer and wine products as identified by brand name.

Pioneer Square Alcohol Impact Area – additional mandatory restrictions:

The Pioneer Square Alcohol Impact Area currently has a restriction on off-premises sales of single containers, off-premises sales between 6am and 9am, and a banned products list of fortified wine. The city of Seattle is requesting an additional restriction:

 Prohibit the off-premises sale of certain beer products as identified by brand name.

BACKGROUND

In June 2004, the Seattle City Council approved two voluntary compliance efforts: the Central Core AIA and the North AIA. In late October 2004, voluntary compliance with specific restrictions was requested of 224 off-premises licensees in these areas by way of Good Neighbor Agreements (GNAs). Approximately 30 percent of the licensees signed GNAs. A breakdown of the liquor license types in these areas is as follows:

Central Core North Area

161 Convenience Stores/Grocery Stores 32 Convenience Stores/Groc Stores 21 Beer/Wine Rest w/off-premises 8 Taverns w/off-premises

6 Beer/Wine Rest w/off-premises

In December 2005, City of Seattle Ordinance 121999 was passed, directing the Department of Neighborhoods and the Chief of Police to request that the Washington State Liquor Control Board recognize and impose restrictions on sales of alcohol in the Central Core and North Alcohol Impact Areas.

In May 2006, the City of Seattle submitted their formal request to the Board to have the Central Core area and the North area formally adopted as Alcohol Impact Areas.

On June 29 and July 27, 2006, the Liquor Control Board held public meetings in Seattle to hear the city of Seattle's request and to take public comment. At the meetings the public comments were predominately in support of the AIA. I received 58 written comments from groups and/or citizens that live or work in these areas. All but three of the comments were in support of the AIA. The reasons for support of the AIA are mostly neighborhood livability and public safety. These people understand the AIA will not solve their problems, but rather be another tool to help fight the problems associated with chronic public inebriation.

Please see the attached timeline for more details about significant events in Seattle's request for an AIA designation.

Did the city of Seattle demonstrate there is a pervasive pattern of chronic public inebriation in the Central Core and North areas?

The statistics provided compare 1 year prior to the voluntary compliance effort (beginning November 1, 2003) and one year after the voluntary compliance effort (beginning November 1, 2004). Approximately 30% of the 224 licensees within these areas voluntary complied with the Good Neighbor Agreements.

- Detox response calls King County Emergency Services Patrol (KCSP) indicates sobering unit van (SUV) services were cut in 2005; the cuts involved elimination of services north of the Ship Canal and a reduction in the daily hours of service from 24 to 20. The Central Core and North areas both show a slight reduction from 2004 to 2005, but it is unclear if this is due to decreased demand or the cut in the SUV services.
- SPD Crime Statistics In the Central Core area most types of incidents saw a reduction in the number of calls. Alcohol related calls had an 8% reduction. The North area saw a noticeable increase in most types of incidents. Alcohol related calls had a 35% increase.
- ETOH (ethyl alcohol) medical incidents reported by SPD This reflects incidents where people in need were treated for medical conditions. In the Central Core area incidents were down by less than 1%, but the Pioneer Square area (which is inside the Central Core area) showed a 21% increase. The North area showed a 95% increase in this type of incident. The decrease in the Central Core area could be a small measure of the effectiveness of the voluntary compliance effort there. Overall, the entire city showed increases in this area.

Did the city of Seattle find that the off-premises sale of the alcohol products on the proposed banned products list is reasonably linked to the problems associated with chronic public inebriation?

The litter pickups in the Central area span an eleven month period and were conducted by neighborhood groups, Seattle Chinatown-International District Preservation and Development Authority, Metropolitan Improvement District, Seattle Neighborhood

District, and Cleanscapes. The product containers found during these litter pickups are those on the proposed banned products list requested by the city of Seattle. The litter pickups in the North area cover a two month period. The product containers found during these litter pickups are also those on the proposed banned products list requested by the city of Seattle.

The city did not include any information on litter pickups within the Pioneer Square Alcohol Impact Area, but this area is a small area within the Central Core area.

RECOMMENDATIONS

General AIA designation – Central Core Area

Licensing and Regulation recommend approval of the City of Seattle's request for the Board to formally recognize an AIA in the Central Core area. The City of Seattle has demonstrated with crime statistics, police reports, emergency response data, detox reports, and litter patrols that the Central Core area has had a pervasive pattern of problems associated with chronic public inebriation. The City has also shown a good faith, but unsuccessful, effort to address the problems with the liquor licensees in the AIA.

General AIA designation – North Area

Licensing and Regulation recommend approval of the City of Seattle's request for the Board to formally recognize an AIA in the North area. The City of Seattle has demonstrated with crime statistics, police reports, emergency response data, detox reports, and litter patrols that the North area has had a pervasive pattern of problems associated with chronic public inebriation. The City has also shown a good faith, but unsuccessful, effort to address the problems with the liquor licensees in the AIA.

Mandatory restrictions

Request: Prohibit the off-premises sale of certain beer and wine products as identified by a banned products list in the Central Core area?

Licensing and Regulation recommend that the Board approve the request to ban the off-premises sale of certain beer and wine products identified by a banned products list. I believe the city of Seattle's request shows that the sale of these of high-alcohol content, low-cost beer and wine products are reasonably linked to the chronic public inebriation problems in the proposed AIA.

Request: Prohibit the off-premises sale of certain beer and wine products as identified by a banned products list in the North area?

Licensing and Regulation recommend that the Board approve the request to ban the off-premises sale of certain beer and wine products identified by a banned products list. I believe the city of Seattle's request shows that the sale of these of high-alcohol content, low-cost beer and wine products are reasonably linked to the chronic public inebriation problems in the proposed AIA.

Request: Add the prohibition of off-premises sale of certain beer products as identified by a banned products list in the Pioneer Square Alcohol Impact Area?

The Pioneer Square Alcohol Impact Area currently has the following restrictions:

- No off-premises sales of beer in single containers.
- No off-premises sales of beer and wine between the hours of 6am and 9am.
- No off-premises sale of 6 wine products on a banned product list. (These are the same wine products that are on the city's proposed banned product list.)

Licensing and Regulation recommend that the Board approve the request to ban the off-premises sale of certain beer products identified by a banned products list in addition to the current restrictions in this AIA. The Pioneer Square Alcohol Impact Area is within the Central Core Area. The sale of high-alcohol content, low cost beer and wine products are reasonably linked to the chronic public inebriation problems in this AIA. By adding this mandatory restriction to the Pioneer Square AIA the availability of these products will be eliminated.

REVIEW

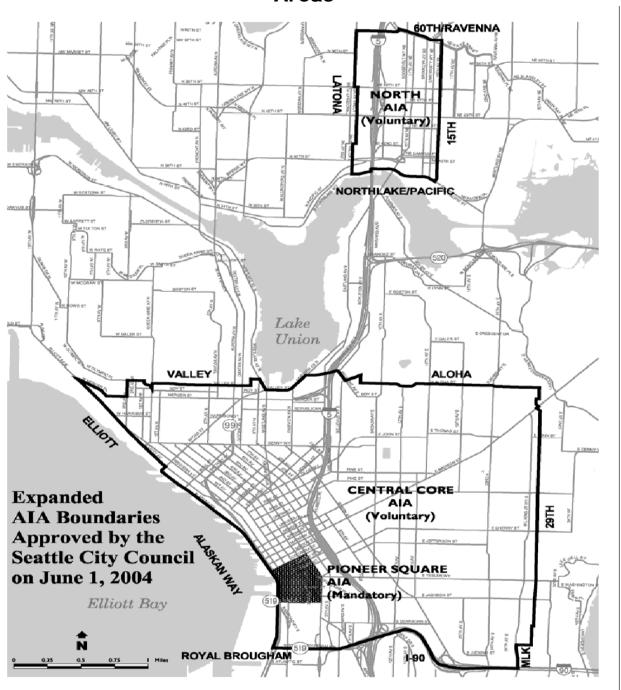
Licensing and Regulation recommend that, with the approval of these AIAs, the Board require that the city of Seattle provide bi-annual updates to the data collected in the City's request used to show a pervasive pattern of problems associated with chronic public inebriation in the AIA.

Licensing and Regulation also recommend, with the approval of the mandatory restriction of a banned products list, that the City provide bi-annual reports on litter pickups from the Central Core, North and Pioneer Square areas to provide additional information on the product containers found in these areas. This would also be an opportunity for the City to request a revised product ban list if needed.

Attachments:

Map of Central Core and North Areas Seattle's Request for AIA Designation--Events Timeline Seattle's Proposed Banned Products List

Map of Proposed Alcohol Impact Areas



Seattle Alcohol Impact Area Request Timeline

Following are some key events associated with the City of Seattle's request for alcohol impact areas (AIA) in the Central Core and North areas:

1996 – Chronic Public Inebriate Systems Solutions Committee convened by King County Executive Ron Sims to implement a comprehensive, collaborative strategy to provide practical solutions to chronic public inebriates problems.

1998 – **King County Board of Health Resolution** adopted, declaring chronic public inebriety a public health problem of the highest order. Services expanded including the opening of the 60-bed Dutch Schisler Sobering Support Center.

August 24, 2000 – City of Seattle Ordinance 120067 adopted creating an AIA in Pioneer Square and directing voluntary efforts with liquor licensees to reduce chronic public inebriation.

August 20, 2002 – City of Seattle Ordinance 120878 adopted, directing the city's Police Chief and Department of Neighborhoods to request Liquor Control Board (LCB) recognition of Pioneer Square AIA.

September 26, 2002 – Seattle's request received by LCB staff.

November 19, 2002 – LCB public hearing held in Seattle.

December 19, 2002 - LCB public comment period ended.

January 10 & 17, 2003 – LCB convened a formula work session. A representative of the City of Seattle participated in the work session, which explored the feasibility of using a formula approach to identify products that would be restricted from sale in an AIA.

April through June 2003 – LCB sponsored a study of Tacoma's AIA. To fulfill the AIA rules' requirement that a study be done of the first AIA one year after its designation, the LCB entered into an interagency agreement with Washington State University's Social & Economic Sciences Research Center (SESRC) to conduct a study of the Tacoma AIA. Dr. John Tarnai, SESRC Director, conducted the study using evaluation research methods to obtain and analyze information relevant to assessing the effectiveness of the AIA designation and restrictions. Study methodologies included public opinion surveys, surveys of the affected liquor licensees, focus groups, and statistical analyses of data on services related to problems associated with chronic public inebriation.

June 17, 2003 – LCB public work session on Tacoma AIA Study results. Dr. Tarnai presented his findings/conclusions that there were positive changes in the Tacoma AIA and the results suggest that the AIA restrictions have been effective in addressing the problems of chronic public inebriation.

July 15, 2003 – LCB public work session on effectiveness of the AIA rules. Lorraine Lee, Director of the Licensing and Regulation Division, presented her analysis of the study results, in light of the public comments received and Dr. Tarnai's responses to some of the questions raised. Comments were received from the Washington Food Industry, the Washington Beer and Wine Wholesalers Association, the Beer Institute, the mayors of Tacoma and Seattle, community organizations, and citizens. Ms. Lee also presented her analysis of the study results and how they relate to the restrictions requested by the City of Seattle.

July 16, 2003 – Board resolution on AIA rules effectiveness. Public meeting held where Board adopted a resolution concluding that the study results showed the AIA rules as applied to the Tacoma AIA have been achieving the objectives of the AIA rules. The resolution concluded no modifications or changes were necessary to the AIA rules.

July 23, 2003 – Board approved the City of Seattle's request for Pioneer Square AIA. Board approved mandatory restrictions on hours of sale, single cans or bottles, and certain products.

September 15, 2003 – Mandatory restrictions in Pioneer Square AIA went into effect.

June 2004 – City of Seattle Ordinance 121487 adopted creating two AIAs, one in the Central Core area and one in the North area directing voluntary efforts with liquor licensees to reduce chronic public inebriation.

December 2005 - City of Seattle Ordinance 121999 was adopted, directing the Department of Neighborhoods and the Chief of Police to request that the Washington State Liquor Control Board (LCB) recognize and impose restrictions on sales of alcohol in the Central Core and North Alcohol Impact Areas.

May 2006 - City of Seattle request received by LCB staff.

June 29, 2006 - Liquor Control Board held public meeting in Seattle to hear the city of Seattle's request and to take public comment.

July 27, 2006 - Liquor Control Board held public meeting in Seattle to hear the city of Seattle's request and to take public comment.

July 31, 2006 – Liquor Control Board public comment period ended.

Seattle's Proposed Banned Products List (corrected

revised) (To include all container sizes, alcohol content, and flavors)

Beer and Malt Products - 23

Bull Ice

Busch Ice

Colt 45 Ice

Colt 45 Malt Liquor

Hurricane Ice Malt Liquor

Keystone Ice

Lucky Ice Ale Premium

Mickey's Iced Brewed Ale

Mickey's Malt Liquor

Miller High Life Ice

Milwaukee Best Ice

Milwaukee Best Premium Ice Beer

Natural Ice**

Old Milwaukee Ice

Olde English 800

Pabst Ice

Rainier Ale

Red Bull Malt Liquor

Red Dog*

Schmidt's Ice

Special 800 Reserve

St. Ide's Liquor and Special Brews

Steel Reserve

Wine Products - 6

Cisco

Gino's Premium Blend

MD 20/20

Night Train Express

Richard's Wild Irish Rose

Thunderbird

The original proposed banned products list from the city of Seattle contained six beer products that were found to no longer be sold. The city sent a request on August 11, 2006 to remove those products from their banned products list as follows:

Hamm's Ice Brewed Ale Hamm's Ice Brewed Beer King Cobra Malt Liquor Lucky Ice Magnum Malt Olympia Ice

^{*}The city of Seattle sent a request on August 11, 2006 to add Red Dog beer to the list of banned products since there was evidence that this product attributed to the CPI problem.

^{**}Natural Ice was on the original banned products list from the city of Seattle but was mistakenly omitted from the list provided here.